

ASSEMBLY BILL NO. 287—ASSEMBLYMEN FRIERSON
AND MCCURDY II

MARCH 14, 2017

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing the issuance of gift certificates. (BDR 52-855)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to deceptive trade practices; prohibiting the issuance of a gift certificate that expires on a certain date; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law provides that a person engages in a deceptive trade practice if, in
2 the course of his or her business or occupation, he or she issues a gift certificate that
3 expires on a certain date, unless either the expiration date or a telephone number
4 that the buyer or holder of the gift certificate may call to obtain the expiration date
5 is printed on the gift certificate. (NRS 598.0921) This bill prohibits the issuance of
6 a gift certificate that expires on a certain date and eliminates the requirement that
7 the expiration date or a telephone number be printed on the gift certificate.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 598.0921 is hereby amended to read as
2 follows:
3 598.0921 1. A person engages in a “deceptive trade practice”
4 if, in the course of his or her business or occupation:
5 (a) He or she issues a gift certificate that expires on a certain
6 date ; ~~unless either of the following is printed plainly and~~
7 ~~conspicuously on the front or back of the gift certificate in at least~~
8 ~~10 point font and in such a manner that the print is readily visible to~~
9 ~~the buyer of the gift certificate before the buyer purchases the gift~~
10 ~~certificate:~~



~~(1) The expiration date of the gift certificate; or
(2) A toll free telephone number accompanied by a statement setting forth that the buyer or holder of the gift certificate may call the telephone number to obtain the balance of the gift certificate and the expiration date of the gift certificate;}~~

(b) He or she imposes upon the buyer or holder of a gift certificate a service fee, unless each of the following is printed plainly and conspicuously on the front or back of the gift certificate in at least 10-point font and in such a manner that the print is readily visible to the buyer of the gift certificate before the buyer purchases the gift certificate:

(1) The amount of the service fee;

(2) The event or events that will cause the service fee to be imposed;

(3) The frequency with which the service fee will be imposed; and

(4) If the service fee will be imposed on the basis of inactivity, the duration of inactivity, which must not be less than 3 continuous years of nonuse, that will cause the service fee to be imposed; or

(c) Regardless of the notice provided, he or she imposes upon the buyer or holder of a gift certificate:

(1) A service fee or a combination of service fees that exceed a total of \$1 per month; or

(2) A service fee that commences or is imposed within the first 12 months after the issuance of the gift certificate.

2. The provisions of this section do not apply to:

(a) A gift certificate that is issued as part of an award, loyalty, promotional, rebate, incentive or reward program and for which issuance the issuer does not receive money or any other thing of value;

(b) A gift certificate that is sold at a reduced price to an employer or nonprofit or charitable organization, if the expiration date of the gift certificate is not more than 30 days after the date of sale; and

(c) A gift certificate that is issued by an establishment licensed pursuant to the provisions of chapter 463 of NRS.

3. As used in this section:

(a) "Gift certificate" means an instrument or a record evidencing a promise by the seller or issuer of the instrument or record to provide goods or services to the holder of the gift certificate for the value shown in, upon or ascribed to the instrument or record and for which the value shown in, upon or ascribed to the instrument or record is decreased in an amount equal to the value of goods or services provided by the issuer or seller to the holder. The term



1 includes, without limitation, a gift card, certificate or similar
2 instrument. The term does not include:

3 (1) An instrument or record for prepaid telecommunications
4 or technology services, including, without limitation, a card for
5 prepaid telephone services, a card for prepaid technical support
6 services and an instrument for prepaid Internet service purchased or
7 otherwise distributed to a consumer of such services, including,
8 without limitation, as part of an award, loyalty, promotional or
9 reward program; or

10 (2) An instrument or record, by whatever name called, that
11 may be used to obtain goods or services from more than one person
12 or business entity, if the expiration date is printed plainly and
13 conspicuously on the front or back of the instrument or record.

14 (b) "Issue" means to sell or otherwise provide a gift certificate to
15 any person and includes, without limitation, adding value to an
16 existing gift certificate.

17 (c) "Record" means information which is inscribed on a tangible
18 medium or which is stored in an electronic or other medium,
19 including, without limitation, information stored on a
20 microprocessor chip or magnetic strip, and is retrievable in
21 perceivable form.

22 (d) "Service fee" means any charge or fee other than the charge
23 or fee imposed for the issuance of the gift certificate, including,
24 without limitation, a service fee imposed on the basis of inactivity or
25 any other type of charge or fee imposed after the sale of the gift
26 certificate.

27 **Sec. 2.** This act applies to gift certificates issued on or after
28 July 1, 2017.

29 **Sec. 3.** This act becomes effective on July 1, 2017.



